



**SENATE AMENDMENT 6,  
TO 1995 SENATE BILL 494**

March 7, 1996 - Offered by Senators DARLING, BURKE, HUELSMAN, PETAK, WELCH,  
DRZEWIECKI, SHIBILSKI, WINEKE, C. POTTER and GROBSCHMIDT.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 25, line 16: after that line insert:

3 **“221.02055 Reserves. (1) DEFINITIONS.** In this section:

4 (a) “Municipal obligation” has the meaning given in s. 67.01 (6).

5 (b) “Short-term” means maturing within 18 months or less.

6 **(2) RESERVE REQUIREMENTS.** A bank shall maintain sufficient reserves to meet  
7 anticipated withdrawals, commitments and loan demand. A bank shall maintain at  
8 least the level of reserves required for it by the federal reserve system. The division  
9 may prescribe additional reserve requirements for an individual bank based on  
10 examination findings or other reports available to the division.

11 **(3) PERMITTED RESERVES.** A bank’s reserves consist of all of the following:

12 (a) Cash.

13 (b) Cash items in the process of collection.

14 (c) Short-term obligations of or demand balances with other insured financial  
15 institutions in the United States.

16 (d) Short-term obligations of or guaranteed by the federal government.

1 (e) Short-term obligations of this state.

2 (f) Short-term municipal obligations.

3 (g) Short-term obligations approved by rule of the division.

4 (h) Balances with federal reserve banks.

5 (4) EFFECT OF INSUFFICIENT RESERVES. If the reserves of a bank fall below the  
6 reserves required under sub. (2), the bank may not increase its loans or discounts,  
7 except by discounting or purchasing bills of exchange payable at sight or on demand.  
8 The division shall notify a bank whose reserves are below the reserves required  
9 under sub. (2) that the bank shall make good its reserves. If the bank fails for 30 days  
10 thereafter to make good such reserves, the division may assess the bank \$100 for  
11 each 2-week period during which the bank has not made good its reserves and may  
12 notify the attorney general and the department of justice shall institute proceedings  
13 for the appointment of a receiver and to wind up the business of the bank. The  
14 assessment shall be paid to the division and, if any such bank fails or refuses to pay  
15 the assessment, the division may maintain an action for the recovery of the  
16 assessment.”.

17 (END)